

ARMORED CAR INDUSTRY RECIPROCITY IMPROVEMENT  
ACT OF 1996

JUNE 17, 1996.—Committed to the Committee of the Whole House on the State of  
the Union and ordered to be printed

Mr. BLILEY, from the Committee on Commerce,  
submitted the following

REPORT

[To accompany H.R. 3431]

[Including cost estimate of the Congressional Budget Office]

The Committee on Commerce, to whom was referred the bill  
(H.R. 3431) to amend the Armored Car Industry Reciprocity Act of  
1993 to clarify certain requirements and to improve the flow of  
interstate commerce, having considered the same, report favorably  
thereon without amendment and recommend that the bill do pass.

CONTENTS

	Page
Purpose and Summary .....	1
Background and Need for Legislation .....	2
Hearings .....	3
Committee Consideration .....	3
Roll Call Votes .....	4
Committee Oversight Findings .....	4
Committee on Government Reform and Oversight .....	4
New Budget Authority and Tax Expenditures .....	4
Committee Cost Estimate .....	4
Congressional Budget Office Estimate .....	4
Inflationary Impact Statement .....	6
Advisory Committee Statement .....	6
Section-by-Section Analysis of the Legislation .....	7
Changes in Existing Law Made by the Bill, as Reported .....	7

PURPOSE AND SUMMARY

The bill clarifies certain requirements of the Armored Car Indus-  
try Reciprocity Act of 1993 (P.L. 103-55, codified at 15 U.S.C. 5902  
et seq.) and improves the flow of interstate commerce.

## BACKGROUND AND NEED FOR LEGISLATION

Armored car companies continue to be an important part of our nation's economy, transporting billions of dollars annually in valuable goods, including currency, coin, negotiable securities, food stamps, and other valuables. For interstate shipments, the Federal government continues to be one of the armored car industry's largest customers, using private companies to transport food stamps, currency and coin, and other negotiable documents from central printing and distribution points to localities across the country. Typical shipments carried by armored car can range in value from \$100,000 to \$40 million. While most shipments are made within a 350 mile area, the value of the cargoes shipped interstate tends to be higher, making them more lucrative targets for thieves and domestic terrorists.

The dangers faced by armored car crew members are increasing. According to statistics from the Federal Bureau of Investigations Violent Crimes Section, there were 68 attempted robberies of armored vehicles during Fiscal Year 1995. The National Armored Car Association estimates that there were 107 attempted robberies during calendar year 1995. Further, the Committee received testimony that, due to increased violence among juvenile offenders, there has been an increasing number of fatalities of armored car crew members during robbery attempts. Clearly there continues to be a need for these crew members to be armed to protect both themselves and their valuable cargoes.

There are approximately 13,000 people employed nationwide as armored car crew members, although only approximately 3,000 regularly travel in interstate commerce. However, until Congress enacted the Armored Car Industry Reciprocity Act of 1993, there was no standardized method of obtaining weapons permits from those States in which armored car crews were required to travel. Each State had different requirements and procedures for obtaining weapons permits, which either placed a great burden on armored car companies to obtain licenses in every State in which a crew member conceivably might travel, or required the crews to travel without the necessary permits, an outcome which neither the crew members, the companies, nor law enforcement officials desired. These problems are discussed in greater detail in the Committee's report on the original Act (H. Rpt. 103-62).

The Armored Car Industry Reciprocity Act of 1993 entitled certain armored car crew members with a weapons permit issued by the State in which they were primarily employed to lawfully carry a weapon in any State while protecting the security of valuable goods in interstate commerce in the service of an armored car company. However, reciprocity was only granted to crew members from those States requiring criminal background checks and regular weapons safety and marksmanship training.

In the several years since passage of the original Act, a number of technical problems and drafting ambiguities have come to light. The first problem was that some States require a "private security officer's license" in addition to a weapons license. Although individuals with a license issued by a State which met the requirements in the original Act would be granted reciprocity with respect to

their weapons license, it was unclear to State regulators as to whether the requirement for a private security officer's license was superseded as well. While the clear intent of the original Act was to allow armored car crew members to travel freely in interstate commerce, State regulators have requested clarification of this issue.

The second problem raised was an inconsistency between the annual reporting requirement for criminal background checks and training information required in the Act. Most States have instituted two-year renewal cycles for weapons permits, primarily as a cost-saving measure. In light of this fact, the annual requirement for training and criminal background checks would have imposed an additional burden on the States. While the States have indicated they believe that both continuing training and background monitoring are important, they have requested the flexibility to collect that information in accordance with their own preexisting procedures.

The third major problem arises from a drafting ambiguity in the original Act which required the permit holder to provide the criminal background information. Since virtually every State requires the issuing agency to conduct background checks of permit applicants, this requirement was inconsistent with the normal practice and procedure employed by the responsible agencies. This does not reflect the intent of Congress and requires clarification.

Currently, of the 33 States which require regular criminal background checks and weapons training as requirements for the issuance of weapons permits, only 5—Illinois, Louisiana, Maryland, North Carolina, and Virginia—meet the definitions set forth in the Act as originally enacted. After passage of H.R. 3431, armored car crew members in an additional 28 States would qualify for reciprocity, and the Committee believes that the amended Act will serve as an incentive to other States to upgrade their licensing regimes.

The intent of the Congress was to lift the burden on interstate commerce created by the diverse State licensing schemes in place at the time. With the changes contained in H.R. 3431, the Act will better achieve that purpose.

#### HEARINGS

The Subcommittee on Commerce, Trade, and Hazardous Materials held a hearing on H.R. 3431, the Armored Car Industry Reciprocity Improvement Act of 1996, on May 22, 1996. The Subcommittee received testimony from Mr. James L. Dunbar, Chairman and Chief Executive Officer of Dunbar Armored, Inc., on behalf of the National Armored Car Association, and Mr. Wayne Rogillio, Executive Secretary, Louisiana State Board of Private Security Examiners, on behalf of the National Association of Security and Investigative Regulators. Both witnesses testified in favor of the legislation.

#### COMMITTEE CONSIDERATION

On May 22, 1996, the Subcommittee on Commerce, Trade, and Hazardous Materials met in open markup session and approved

H.R. 3431, the Armored Car Industry Reciprocity Improvement Act of 1996, for Full Committee consideration, without amendment, by a voice vote.

On June 11, 1996, the Committee on Commerce met in open markup session and ordered H.R. 3431 reported to the House, without amendment, by a voice vote.

#### ROLL CALL VOTES

Clause 2(1)(2)(B) of rule XI of the Rules of the House of Representatives requires the Committee to list the recorded votes on the motion to report legislation and amendments thereto. There were no recorded votes taken in connection with ordering H.R. 3431 reported. A motion by Mr. Bliley to order H.R. 3431 reported to the House, without amendment, was agreed to by a voice vote, a quorum being present.

#### COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 2(1)(3)(A) of rule XI of the Rules of the House of Representatives, the Committee held a legislative hearing and made findings that are reflected in this report.

#### COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

Pursuant to clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, no oversight findings have been submitted to the Committee by the Committee on Government Reform and Oversight.

#### NEW BUDGET AUTHORITY AND TAX EXPENDITURES

In compliance with clause 2(1)(3)(B) of rule XI of the Rules of the House of Representatives, the Committee finds that H.R. 3431, the Armored Car Industry Reciprocity Improvement Act of 1996, would result in no new or increased budget authority or tax expenditures or revenues.

#### COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 403 of the Congressional Budget Act of 1974.

#### CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 2(1)(3)(C) of rule XI of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 403 of the Congressional Budget Act of 1974:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, June 14, 1996.*

Hon. THOMAS J. BLILEY, Jr.,  
*Chairman, Committee on Commerce,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H.R. 3431, the Armored Car Industry Reciprocity Improvement Act of 1996, as ordered reported by the House Committee on Commerce on June 11, 1996. CBO estimates that enacting H.R. 3431 would result in no cost to the federal government. Because enactment of H.R. 3431 would not affect direct spending or receipts, pay-as-you-go procedures would not apply to the bill. As discussed in the enclosed intergovernmental cost estimate, H.R. 3431 contains an intergovernmental mandate as defined in Public Law 104-4, but the costs imposed on state, local, and tribal governments would be minimal. This bill would impose no new private-sector mandates as defined in Public Law 104-4.

This bill would amend the Armored Car Industry Reciprocity Act of 1993 to require reciprocity among states for the weapons license and all other necessary licenses if a member of an armored car crew is licensed and has met all requirements in the state in which he or she is primarily employed. This provision would apply only if the licensing agency meets certain minimum requirements. In order for reciprocity to apply, the bill also would require that a criminal background check be conducted when the armored car crew member is seeking the initial license. Finally, H.R. 3431 would repeal the standard for reciprocity requiring that the weapons permit be renewed on an annual basis. Because the provisions of H.R. 3431 would not affect federal laws regarding the possession of weapons, CBO estimates that enacting this bill would result in no cost to the federal government.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Susanne S. Mehlman.

Sincerely,

JUNE E. O'NEILL, *Director.*

CONGRESSIONAL BUDGET OFFICE ESTIMATED COST OF  
INTERGOVERNMENTAL MANDATES

1. Bill number: H.R. 3431.
2. Bill title: Armored Car Industry Reciprocity Improvement Act of 1996.
3. Bill status: Ordered reported by the House Committee on Commerce on June 11, 1996.
4. Bill purpose: H.R. 3431 would amend the Armored Car Industry Reciprocity Act of 1993 to clarify certain reciprocity requirements among states for the licensing of members of armored car crews.
5. Intergovernmental mandates contained bill: State governments would be required to recognize the validity of licenses and certifications issued by other states for members of armored car crews, as long as those states comply with minimum federal standards.

6. Estimated direct costs of mandates on State, local, and tribal governments:

(a) *Is the \$50 million threshold exceeded?* No.

(b) *Total direct costs of mandates:* CBO estimates that the mandate contained in H.R. 3431 would impose direct costs on state, local, and tribal governments totaling less than \$500,000 annually.

(c) *Estimate of necessary budget authority:* Not applicable.

7. Basis of estimate: H.R. 3431 would impose a mandate on states that have regulations governing the licensing of armored car crew members that are more stringent than those of other states that meet minimum federal standards. For example, some states require that crew members be certified to carry firearms and that they possess a security guard license. Over 30 states have such requirements that either meet or exceed the federal minimum standards. H.R. 3431 would preclude these states with higher standards from requiring out-of-state armored car crew members to acquire additional licenses before traveling through the state.

CBO contacted officials from six states and spoke with industry representatives during the course of preparing this estimate. No state reported issuing a significant number of out-of-state licenses; however, states that license out-of-state crew members may face some cost in terms of lost fee revenue under the terms of H.R. 3431. On a state-by-state basis, this cost would be minimal because most crew members travel within a limited area; consequently, few crew members need to acquire more than one out-of-state license. Likewise, individual states receive few applications for such licenses. Approximately 3,000 armored car crew members nationwide travel across state lines. License fees for crew members range from \$30 to \$150 annually. Assuming that most interstate crew members procure a license from one neighboring state under current law, the aggregate revenue loss to states would be less than \$500,000. This loss of revenue would be partly offset by reduced costs from issuing fewer licenses.

8. Appropriation or other Federal Financial assistance provided in bill to cover mandate costs: None.

9. Other impacts on State, local, and tribal governments: None.

10. Previous CBO estimate: None.

11. Estimate prepared by: Leo Lex.

12. Estimate approved by: Robert A. Sunshine (for Paul N. Van de Water, Assistant Director for Budget Analysis).

#### INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the Committee finds that the bill would have no inflationary impact.

#### ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

## SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

*Section 1—Short title*

Section 1 provides the short title of the bill, the Armored Car Industry Reciprocity Improvement Act of 1996.

*Section 2—Clarification of State reciprocity of weapons licenses issued to armored car company crew members*

Subsection (a) amends subsection 3(a) of the Armored Car Industry Reciprocity Act of 1993 (15 U.S.C. 5902(a)) to provide that if an armored car crew member employed by an armored car company has a weapons permit issued by an appropriate State agency in the State in which the crew member is primarily employed to carry a weapon or weapons while in the services of such company, and the State meets the statute's minimum criteria, and has met all other applicable requirements in the State in which the crew member is employed, then that crew member shall be entitled to lawfully carry any weapon authorized by the license and function as an armored car crew member in any State.

Subsection (b) amends subsection 3(b) of the Armored Car Industry Reciprocity Act (15 U.S.C. 5902(b)) to clarify the minimum requirements for States' licenses to be granted reciprocity. When issuing an initial license to an armored car crew member, the State must determine to its satisfaction that (1) the crew member has received both classroom and range training in weapons safety and marksmanship during the current year, and (2) that receipt or possession of a weapon by the crew member would not violate Federal law, as determined on the basis of a criminal records background check conducted during the current year. When issuing renewal licenses, the State must determine to its satisfaction that the crew member (1) received continuing training in weapons safety and marksmanship from a qualified instructor for each weapon that the crew member is licensed to carry, and (2) the receipt or possession of a weapon by the crew member would not violate Federal law, as determined by the agency.

*Section 3—Effective date*

Section 3 sets the effective date of the amendments as 30 days after enactment of this Act.

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in *roman*):

**SECTION 3 OF THE ARMORED CAR INDUSTRY  
RECIPROCITY ACT OF 1993****SEC. 3. STATE RECIPROCITY OF WEAPONS LICENSES ISSUED TO ARMORED CAR COMPANY CREW MEMBERS.**

[(a) IN GENERAL.—If an armored car crew member employed by an armored car company has in effect a license issued by the ap-

appropriate State agency (in the State in which such member is primarily employed by such company) to carry a weapon while acting in the services of such company in that State, and such State agency meets the minimum State requirements under subsection (b), then such crew member shall be entitled to lawfully carry any weapon to which such license relates in any State while such crew member is acting in the service of such company.

[(b) MINIMUM STATE REQUIREMENTS.—A State agency meets the minimum State requirements of this subsection if in issuing a weapons license to an armored car crew member described in subsection (a), the agency requires the crew member to provide information on an annual basis to the satisfaction of the agency that—

[(1) the crew member has received classroom and range training in weapons safety and marksmanship during the current year by a qualified instructor for each weapon that the crew member is licensed to carry; and

[(2) the receipt or possession of a weapon by the crew member would not violate Federal law, determined on the basis of a criminal record background check conducted during the current year.]]

(a) *IN GENERAL.*—*If an armored car crew member employed by an armored car company—*

*(1) has in effect a license issued by the appropriate State agency (in the State in which such member is primarily employed by such company) to carry a weapon while acting in the services of such company in that State, and such State agency meets the minimum requirements under subsection (b); and*

*(2) has met all other applicable requirements to act as an armored car crew member in the State in which such member is primarily employed by such company;*

*then such crew member shall be entitled to lawfully carry any weapon to which such license relates and function as an armored car crew member in any State while such member is acting in the service of such company.*

(b) *MINIMUM STATE REQUIREMENTS.*—*A State agency meets the minimum State requirements of this subsection if—*

*(1) in issuing an initial weapons license to an armored car crew member described in subsection (a), the agency determines to its satisfaction that—*

*(A) the crew member has received classroom and range training in weapons safety and marksmanship during the current year; and*

*(B) the receipt or possession of a weapon by the crew member would not violate Federal law, determined on the basis of a criminal record background check conducted during the current year; and*

*(2) in issuing a renewal of a weapons license to an armored car crew member described in subsection (a), the agency determines to its satisfaction that—*

*(A) the crew member has received continuing training in weapons safety and marksmanship from a qualified instructor for each weapon that the crew member is licensed to carry; and*



*(B) the receipt or possession of a weapon by the crew member would not violate Federal law, as determined by the agency.*

